

The Financial Integrity and Accountability Report for December 31, 2006

1. Introduction

Thank you for participating in the State of RI Financial Integrity Act Survey for 2006.

Please note that your submission is due by December 31, 2006.

Completion of this survey ensures your compliance with RI General Law Title 35, Chapter 14 and 20, and the Department of Administration Office of Accounts and Control Policy/Procedure Number A-39.

Copies of all completed surveys will be printed and forwarded to the Governor, the Director of Administration, the Legislature and the Auditor General in accordance with State law.

Please note that all questions in this survey, along with the answers provided, must be reviewed and approved by the Director of the Department/Agency prior to submission. A follow up email will be sent to the Director of the Department/Agency confirming the Director's review and approval of the survey.

The survey should take approximately 1 1/2 hours to complete. You have the ability to save your work in progress at any time and to resume the survey at your convenience.

Many of the questions require the use of your professional judgment to answer. Your honest objective answers are very much appreciated.

To ensure the integrity of the survey, the survey cannot be completed on any computer except for the one you are currently using.

Should you have any questions with regard to the survey, please contact Roberta Gosselin at email address rgosselin@audits.state.ri.us.

Thank you.

2. General Information

The survey begins with the gathering of general information about you and your Department/Agency (Entity).

Please enter the following information:

- * 1. Name of Department/Agency (Entity):
- * 2. Component Unit of:
- * 3. Name of preparer:
- * 4. Title of Preparer:
- * 5. Phone Number of Preparer
- * 6. Email address of Preparer:
- * 7. Director of the Entity:
- * 8. Email address of Director:

3. Budgetary and Financial Information

The next series of questions will focus on gathering budgetary and financial information.

- * 9. Total general revenues for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 10. Total Federal fund revenues for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 11. Total restricted revenues for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 12. Total other revenues for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 13. Total general revenue expenditures for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 14. Total Federal fund expenditures for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 15. Total restricted revenue expenditures for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 16. Total other revenue expenditures for the year ended June 30, 2006 were:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 17. Total general revenues budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 18. Total Federal fund revenues budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 19. Total restricted revenues budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 20. Total other revenues budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 21. Total general revenue expenditures budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 22. Total Federal fund expenditures budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 23. Total restricted revenue expenditures budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 24. Total other revenue expenditures budgeted for the year ended June 30, 2007 are:

\$0 to \$10,000,000
\$10,000,001 to \$25,000,000
\$25,000,001 to \$50,000,000
\$50,000,001 to \$100,000,000
\$100,000,001 to \$500,000,000
\$500,000,001 to \$1,000,000,000
\$1,000,000,001 or higher

* 25. Number of full time personnel on June 30, 2006:

1-25
26-50
51-100
101-250
251-500
501-750
751-1,000
1,001- 1,500
1,501-2,500
over 2,501

* 26. Number of full time equivalent contract employees on June 30, 2006 (i.e., contracted through Smart Staffing Service, Inc. or comparable company):

none
1-25
26-50
51-100
101-250
251-500
501-750
751-1,000
over 1,001

4. Strategic Information

The following questions focus on the strategic risks of the Entity.

* 27. Does the Entity have a strategic plan that guides employees on what the Entity is working to achieve?

yes
no
Other (please specify)

* 28. If the Entity has a strategic plan, when was it last updated?

within the last year
within the last 3 years
within the last 5 years
within the last 10 years
not applicable

29. How is the strategic plan communicated within the organization? Select all that apply.

quarterly or annual Entity wide meetings
written communication
email
voice mail
word of mouth
no formal communication

* 30. Is the Entity responsible for meeting the immediate needs of the public, or its constituents, in an emergency situation such as a national security threat or natural disaster?

yes
no

* 31. Does the Entity have an emergency preparedness plan?

yes
no

* 32. If the Entity has an emergency preparedness plan, when was it last updated?

within the last year
within the last 3 years
within the last 5 years
within the last 10 years
not applicable

33. Has the entity received any negative media attention within the last year? If yes, please provide a brief explanation.

34. Is the Entity financially affected by changing demographics? If yes, please provide a brief explanation.

35. Is the Entity at risk of not meeting its strategic objectives due to inadequate/outdated technology? If yes, please explain.

36. Is the Entity at risk of not meeting its strategic objectives due to inadequate/outdated equipment (other than technology)? If yes, please explain.

5. Operational Information

The following questions focus on the operational risks of the Entity.

37. Has there been a significant change in the nature, size or structure of the Entity within the last year? If yes, please provide a brief explanation.

* 38. Does the Entity have policies and procedures manuals?

yes
no

* 39. If the Entity has policies and procedures manuals, when were they last updated?

within the last year
within the last 3 years
within the last 5 years
within the last 10 years
not applicable

* 40. Are policies and procedures designed to provide adequate segregation of duties or independent checks?

yes
no
not sure

* 41. Are control activities described in the policy and procedures manuals actually applied and applied properly?

yes
generally yes
sometimes
no
not sure

* 42. Are there adequate systems of authorization and approval of transactions?

yes
generally yes
sometimes
no
not sure

* 43. Does the entity process a high volume of financial transactions?

yes

no

* 44. Is the Entity responsible for processing complex financial transactions?

yes

no

* 45. Is there timely (2-3 business days) and appropriate documentation and recording of financial transactions?

yes

generally yes

sometimes

no

not sure

46. Is the entity responsible for providing protective care for RI residents? If yes, briefly describe how and by whom these services are provided.

47. Could a lapse in adherence to policies and procedures result in loss of life? If yes, please explain.

48. Are there new (within the last year) and significant legal, regulatory, or professional requirements of the Entity? If yes, please provide a brief explanation.

49. Does the entity have oversight of gaming operations? If yes, please provide a brief explanation.

50. Does the entity have operations related to subprime lending? If yes, please provide a brief explanation.

* 51. Is the entity responsible for overseeing multiple year and varied federal grant programs?

yes

no

* 52. Is there adequate management understanding of information technology?

yes
generally yes
sometimes
no
not sure

53. Have there been any significant technology changes within the last year? If yes, please provide a brief explanation.

* 54. Does the Entity conduct business using the Internet?

yes
no
not sure

55. Are any information technology related functions outsourced? If yes, please provide a brief explanation.

* 56. If the Entity has outsourced information technology functions, how is the integrity of the data and processes maintained?

* 57. Does the Entity outsource any non information technology functions?

yes
no

* 58. Does the Entity have geographically dispersed locations?

yes
no

* 59. Have deficiencies been detected in internal controls by Management, Internal Audit, the Office of the Auditor General, or other regulatory authorities within the last year?

yes
no
not sure

60. If deficiencies in internal controls have been detected within the last year, please provide a brief explanation.

* 61. Does management promote the identification and discussion of potential and known problems with auditors and other evaluators?

yes
generally yes
sometimes
no
not sure

6. Financial Information

The following questions focus of the financial risks of the Entity.

* 62. Has the Entity restated its budgeted (through the need for a supplemental appropriation) or operating results within the last two years?

yes
no
not sure

63. If the Entity has restated its budgeted or operating results within the past two years, please provide a brief explanation.

* 64. Evaluate the budget process as an effective control mechanism.

highly effective
effective
somewhat effective
not effective
not sure

* 65. Are there disagreements between the Controllers/Budget Offices and the Entity with regard to accounting, auditing and reporting matters?

yes, often
sometimes
occasionally
no

* 66. Have formal or informal restrictions been applied to the internal or external auditor to limit access to people and information?

yes
no
not sure

* 67. Which answer best describes how the Entity handles audit findings?

audit findings are corrected within 6 months
audit findings are prioritized by management and corrected when possible
audit finding are generally not corrected

68. If you would like to provide a brief explanation for your answer with regard to management's handling of audit findings, please do so here.

* 69. During the past two years, please select the answer that best describes the Entity's ability to meet its periodic reporting requirements.

has met all reporting requirements
generally meets all reporting requirements
has been unable to meet some reporting requirements
generally unable to meet its reporting requirements

70. If applicable, what is the Entity's bond/debt rating?

* 71. Is the Entity's organizational structure appropriate for its size and responsibilities?

yes
generally yes
not really
no

72. Please provide a brief explanation if you answered that the Entity's organizational structure was not, or not really, appropriate for its size and responsibilities.

* 73. How effective is the Entity at tracking grant revenue and grant expenses?

highly effective
effective
somewhat effective
not effective

* 74. Is there excessive pressure on management or operating personnel to meet financial targets?

yes
occasionally
generally no
no

* 75. Evaluate the risk of theft or misappropriation of assets by management or employees due to their access to cash or other assets.

high risk
moderate risk
low risk
little or no risk

* 76. Is there complete and timely (at least monthly) reconciliation of assets?

yes
generally yes
yes, but not monthly
no

* 77. Are there adequate physical safeguards over cash, investments, inventory and fixed assets of the Entity?

yes
generally yes
not in all instances
no

* 78. Does the Entity accept payment via credit card?

yes
no

* 79. If the Entity accepts payments via credit card, is the Entity in compliance with the Payment Card Industry Data Security Standard?

yes
generally yes
no
not sure
question not applicable

* 80. Evaluate the Entity's physical locations in terms of safety and security. If the Entity has multiple facilities, consider the safety and security of the facility in conjunction with its purpose.

highly effective
effective
adequate
less than adequate
poor

* 81. Evaluate the access and physical controls for information systems.

highly effective
effective
adequate
poor
not sure

* 82. Evaluate oversight of employee expenditures, such as travel and expense reimbursement.

highly effective
effective
adequate
less than adequate
poor

* 83. Evaluate oversight of senior management's expenditures, such as travel and expense reimbursement.

highly effective
effective
adequate
less than adequate
poor

* 84. Evaluate the Entity's internal accounting and administrative controls.

highly effective
effective
adequate
less than adequate
poor

7. Human Resource Management

The following questions focus on the risks related to Human Resources.

* 85. Have there been any significant changes in senior management, or directors, within the last year?

yes
no

* 86. Has management established a code of conduct or other policies communicating appropriate ethical and moral behavioral standards for its employees? If yes, how are they communicated? Please check all that apply.

formal written communication
training sessions
web/email
voice mail
informally communicated
not applicable

* 87. Is there an employee handbook that is readily accessible?

yes
no

* 88. When was the employee handbook last updated?

within the last year
within the last 3 years
within the last 5 years
within the last 10 years
not applicable

* 89. When were job descriptions last updated?

within the last year
within the last 3 years
within the last 5 years
within the last 10 years
not applicable

* 90. Are there standardized hiring procedures and are they consistently applied?

yes
generally yes
no

* 91. Are background checks conducted on potential hires?

yes, if warranted for the position

no, background checks are not considered necessary

* 92. Does the Entity have sufficient numbers of people with the requisite skills to achieve its organizational objectives?

yes, sufficient

yes, but barely sufficient

no, not sufficient

93. Please use this space if you would like to provide a brief explanation to the previous question regarding whether the Entity has sufficient numbers of people with the requisite skills to achieve its organizational objectives.

* 94. Are there sufficient numbers of people with the requisite skills available in the current labor market to fill vacant or new positions?

yes, sufficient

barely sufficient

no, not sufficient

95. Please use this space if you would like to provide a brief explanation to the previous question regarding whether there are sufficient numbers of people with the requisite skills available in the current labor market to fill vacant or new positions.

* 96. Does the Entity have operations or individuals that have evidenced significant ethical shortfalls and the appropriate personnel actions have not been taken?

yes

no

not sure

97. If you answered yes, the Entity has operations or individuals that have evidenced significant ethical shortfalls and the appropriate personnel actions have not been taken. Please provide a brief explanation.

* 98. Evaluate morale among senior management.

excellent
good
fair
low

* 99. Evaluate morale among employees.

excellent
good
fair
low

* 100. Are there mandatory vacations for employees performing key control functions?

yes
no

* 101. Is cross training of employees a common practice?

yes
no

* 102. Is there a risk that the Finance function of the entity will fail to function as a control in the event that senior management seeks to override established controls or take overly aggressive financial reporting positions?

yes
no

* 103. Is there any indication that unreliable or inaccurate estimates have been provided, or that management has been less than forthright?

yes
no

* 104. Evaluate management's past performance:

management has a long track record of meeting or exceeding strategic goals, as well as a positive history of reacting to changing conditions

management has been successful in meeting goals and objectives, appears to be in control of operations

moderately successful in meeting goals and forecasts, occasional crisis management due to changing operating conditions

often unable to meet goals, operational changes often met with management by crisis

rarely able to meet goals, constant management by crisis

* 105. Evaluate management's experience and skill mix:

experienced management team that has successfully managed through one or more business cycles

management team of average experience that has successfully managed through one or more business cycles

senior management team lacks experience in a key area

senior management lacks experience with common industry problems

* 106. Evaluate management's depth:

good management depth at key positions with full succession planning

adequate management depth with all key positions covered by qualified individuals

insufficient management depth with an active recruiting effort to fill positions

insufficient management depth in key positions representing serious exposures

8. Regulatory/Compliance

The following questions focus on the risks relative to regulatory and compliance issues.

* 107. Is there an oversight authority or board of directors to whom management is responsible?

yes
no

108. If the Entity does have an oversight authority or board of directors to whom management is responsible, is there evidence of ineffective monitoring of management?

yes
no

* 109. Have there been any changes in the Entity's legal counsel during the past year?

yes
no

110. If there has been a change in legal counsel during the past year, how has this affected the Entity?

* 111. Is the Entity currently under a regulatory or other supervisory order?

yes
no

* 112. Are there any actual or pending inquiries, investigations, or actions by a regulatory agency that would affect the Entity's ability to operate?

yes
no

113. If you answered yes, the Entity has actual or pending inquiries, investigations, or actions by a regulatory agency that would affect the Entity's ability to operate, please explain.

* 114. Does the Entity have any specific anti-fraud policies such as a "whistleblower" process?

yes
no

* 115. Does the Entity have an internal audit function?

yes
no

* 116. Does the Entity work with client information requiring security, privacy, and confidentiality?

yes
no

* 117. Does the Entity have a documented privacy policy?

yes
no

* 118. Is the Entity subject to debt covenant requirements?

yes
no

119. If the Entity is subject to debt covenant requirements, is the Entity in compliance?

yes
no

* 120. Does the Entity have policies/procedures for maintaining compliance with environmental laws?

yes
no

* 121. Is the Entity involved in the production or handling of hazardous substances (besides the office related items such as ink and toner cartridges)?

yes
no

* 122. Does the Entity conduct internal self-reviews with regard to compliance with laws and regulations?

yes, often
occasionally
no

9. Governmental Service

This series of questions relate broadly to the services provided by the Entity.

* 123. How well is the Entity meeting the needs of its constituents?

very well
adequately well
adequately well in most areas, though some areas need improvement
not very well

* 124. Does the Entity have a means of monitoring constituent satisfaction with its services?

yes
no

* 125. Do public expectations exceed the Entity's goals and objectives?

yes
no

* 126. Does the Entity focus on improving accountability and transparency to the general public?

yes
generally yes
no, this has not been an area of focus

127. How is the Entity working to improve government accessibility? Please check all that apply.

physical relocation
physical improvements to facilities
change in hours
improved phone services
internet services
improved customer service program

* 128. Is the Entity perceived as an example of fairness and equity in government in the services it provides?

definitely yes
yes, for the most part
not particularly
no, not at all

10. Commentary

This section of the survey provides you with the opportunity to include commentary on other issues and concerns that you may have with regard to the Entity's ability to meet its goals and objectives.

129. Please use the space provided for additional commentary.

11. Completion/Conclusion

Please answer the final two questions with regard to this FIA survey.

* 130. Have you answered all questions to the best of your knowledge and belief?

yes
no

* 131. All questions included in this survey, along with all of the corresponding answers as provided, have been reviewed and approved by the Entity's Director.

yes
no

12. Completion and Submission

Copies of this survey, along with a two question survey to be completed by the Entity's Director, will be distributed to Beverly Nagarian, Executive Director, Ernest Almonte, the Office of the Auditor General, the legislature, and the state library in compliance with RI Statute, Title 35-14-6 (Public Finance, Financial Integrity and Accountability, Annual report).

Thank you for taking the time to complete this survey. Your time and efforts are very much appreciated.